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Agriculture in Tanzania's Development

World Wheat Production and Trade Outlook

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

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In this issue:

2 World Wheat Trade and Production Outlook
By James P. Rudbeck and Horace E. Sears

5 Canned Asparagus: New Moneymaking Export for Taiwan

6 Agriculture in Tanzania's Development
By Carey B. Singleton, Jr.

8 Bank Lends Chile $23.5 Million for Agrarian Works

9 Santarém Fair a Showcase for American Cattle

10 Filipino Buys U.S. Brahmans
Cotton Barter List Modified
U.S. Taiwan Oil Agreement

11 Crops and Markets Shorts

This week's cover:

Tea plantation on the southern slopes of Tanzania's Usambara Mountains. Development goals in Tanzania call for less dependence on traditional foreign exchange earners such as tea. See page 6.

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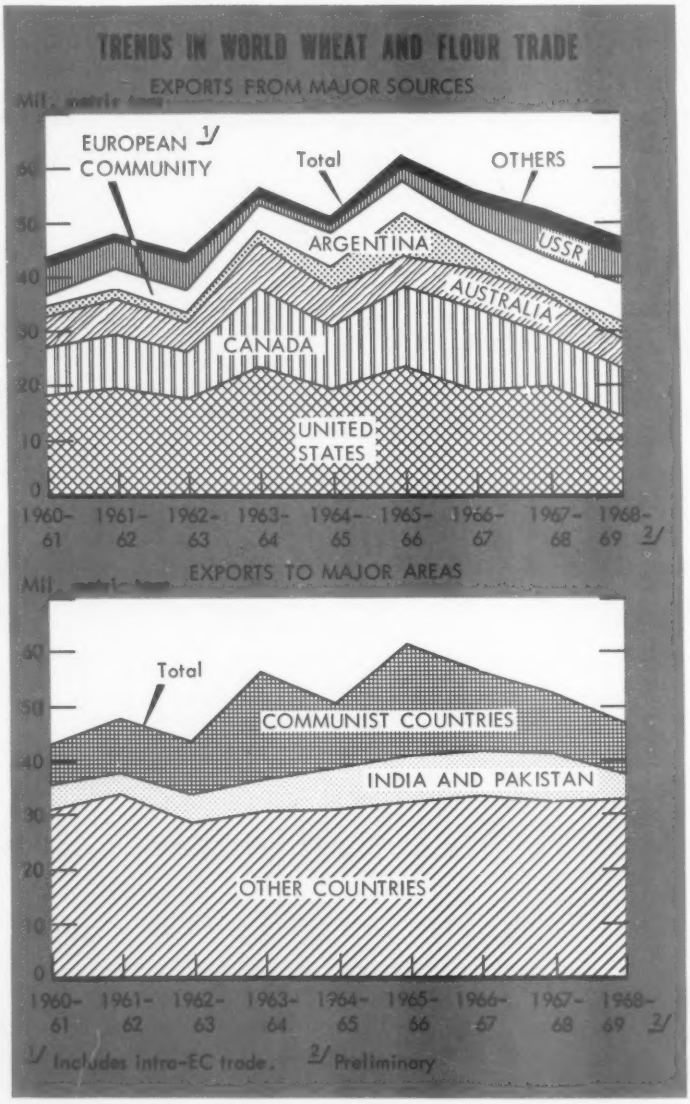
World Wheat Trade and Pr

Reduced acreage, heavy stocks, and adverse weather conditions are expected to cause a decline in this year's world wheat production. The trade outlook indicates a possible increase after a 3-year slump.

By JAMES P. RUDBECK and HORACE E. SEARS
Grain and Feed Division, FAS



nd Production Outlook

Following record crops in the past 2 consecutive years, world wheat production in 1969 is expected to decline somewhat. Northern Hemisphere area sown to winter wheat was generally lower than last year's, and early-season growing conditions have also been less favorable in several areas. As to the Southern Hemisphere countries, current indications point to an acreage about equal to last year's in Australia and possibly a slight reduction in Argentina.

Heavy stocks in many countries—which in some cases caused modified government policies toward wheat production—have also been a major cause of the change in outlook from a year ago.

Western Europe

Western Europe's overall harvested acreage is expected to be less than the 44.0 million acres of 1968. Farmers in West Germany began their spring field work with an average delay of 3 weeks. In France the area sown to soft wheat (97 percent of total wheat) on May 1, 1969, was estimated at 10 percent less than on the same date in 1968. Even with durum wheat acreage increased by 25 percent, total French production is expected to be slightly less than last year and yields could be reduced because spring sowing was delayed by colder spring weather. Persistent rains and cold weather during the spring have also lowered prospects in Italy, where the crop is now estimated at 4 percent below the 1968 level. However, a 1-percent increase in the durum acreage (mostly in the southern areas) plus average yields should raise durum production from the low level of a year ago. Thus, although the total European Community production could be below last year's 31.9-million-ton level, the durum portion will be increased.

Official sources in the United Kingdom report that because of severe weather through the month of May, there could be a fairly substantial reduction in the 1969 crop. Temperatures had fallen below the seasonal average and there were frequent frosts.

Government policy in both Greece and Spain is to lower wheat production gradually. Reduced acreage has resulted in both countries, and in Greece there has been poor weather during cultivation. Portugal's wheat crop is seriously impaired because of excessive rainfall and floods. Acreage is estimated at 11 percent below the previous year's and production at two-thirds of last year's level.

Eastern Europe

Crop prospects in Eastern Europe range from fair to very good. In the northern countries—Czechoslovakia, East Germany, and Poland—prospects are considerably below the record level of 1968, mainly because of winterkill problems, a late and cold spring, and below-normal precipitation. In the southern countries—Bulgaria, Hungary, and Romania—the situation has vastly improved from a year earlier when drought reduced outputs. Yugoslavia is anticipating a record crop as the result of policies aimed at achieving self-sufficiency through increased acreage and improved farming methods.

The outlook in the USSR is for a much reduced winter wheat crop. The estimated area is down about 20-25 percent from a recent average of 48 million acres to 37 million this year because of severe cold, low winter precipitation, and heavy winds. However, the spring wheat area was expanded from 115 million acres to over 126 million, and the total 1969 wheat area is above the recent average. Midyear prospects for spring grains are generally favorable, but the 1969 wheat crop will probably be below the high levels of 1966 and 1968.

Latest reports from India and Pakistan indicate record wheat crops for the second consecutive year. Current estimates of the combined crops show probable production of 25.1 million tons compared with last year's 23.0 million and the previous record of 16.9 million in 1965. Use of improved seeds, heavier application of fertilizer, and better farming practices have all been factors in the increase.

The Mideast countries are generally expecting good crops. Jordan has had timely, well-distributed rains and other favorable weather conditions which will cause a well-above-average wheat crop. Turkey, Israel, and Lebanon are expecting increases over last year's crop with probable production approaching the record crops of 1967. Iran's production, however, is expected to be somewhat less than the record crop of 1968 because of extended rainy weather during planting and the spread of wheat smut during the spring.

Information about Mainland China is quite limited. Work on water conservation projects has reportedly been proceeding normally during recent months. Good moisture conditions and an expected increase in fertilizer supplies suggest a relatively good harvest. Much will depend upon weather conditions and the outcome of continued uncertainties stemming from political turmoil and various reform programs.

Outlook for major exporters

Preliminary production prospects in 1969 for the five major exporters of the Free World—Australia, Argentina, Canada, France, and the United States—point to a reduction of 7 percent. This is about 240 million bushels below the record 1968 crop of 3,517 million, and is based on an expectation of at least average yields in the Southern Hemisphere countries. Only Argentina, whose production was off in 1968, anticipates an increase.

Prospects in Australia are for another bumper crop somewhat between the results of 1966 and 1968. It appears that a decrease in acreage will occur in the southern States but may be more than offset by higher acreage in the north. Soil moisture levels before sowing were high in all but a few areas. Many storage installations are still clogged with much of last year's harvest. Delivery quotas are expected to be implemented during the coming year, but most of the wheat growers already had their land prepared for sowing and did not wish to leave it idle. Many growers have reportedly considered diverting land to sheep grazing, but a change to wool production is hampered by reduced sheep numbers resulting from the 1967-68 drought.

In Argentina, weather conditions for land preparation and seeding have been excellent. Soil moisture reserves are very good throughout the wheat areas and should insure a healthy initial growth of the plants. The area planted may have been less than last year as there is a growing tendency in some areas to convert wheat land to corn and sorghum.

Prospects in the three Northern Hemisphere countries point to reduced crops. Rain and warm weather have improved crop conditions throughout Canada's Prairie Provinces except for some flooding in Manitoba and drought in areas of Alberta. However, acreage is still reported at 15 percent below estimates of a year ago. The heavy farm stock buildup resulting from 2 successive years of reduced exports, plus the resulting financial difficulty for some farmers, may also cause reduced fertilization and lower yields. The French crop is estimated to be slightly lower than that of 1968. Winter wheat acreage is 1 million acres less than the previous year, spring sowings were lower than anticipated, and the colder spring weather could reduce overall yields. Production in the United States is forecast at 9 percent less than the record 1968 crop.

Trade could increase

Based on information currently available, it appears that world trade in wheat and flour could increase slightly in 1969-70 after declining in each of the past 3 years. However, exportable supplies will probably increase by a greater amount and a further buildup in the July 1 supplies of the major exporting countries appears likely.

Largely as the result of a more than 50-percent reduction in the combined imports of India and Pakistan, it is estimated that world trade in wheat and flour declined by 10 percent in 1968-69, to around 47.1 million metric tons, the lowest level of world trade since 1962-63. In the 2 preceding years it was mostly reduced purchases of wheat by the Communist countries which accounted for the declines in world trade. That portion of world trade that excludes India, Pakistan, and the Communist countries has generally remained relatively stable in recent years—fluctuating approximately 1 million tons—but it is this portion of world trade that is expected to account for most of the gain in the current year.

Imports will likely be larger in most areas of Western Europe with the exception of the EC. Reduced production in the United Kingdom will probably result in an increase in imports from the 4.5-million-ton level of last year. This year the European Community will probably reduce its wheat imports from third countries from last year's level of around 4.3 million tons, a figure which was boosted by a large volume of durum. Carry-in stocks in the EC have increased from a year ago, and increased imports will be needed only if the quality of the current harvest is extremely poor. Portugal will have to call on more imports as will several other countries of Western Europe that are facing lower harvests.

Feed and denatured wheat

A striking feature of world trade this past year was the increased trade in feed and denatured wheat. For example, during the period of July 1968 through May 1969, the United Kingdom imported 523,000 tons of denatured wheat, 332,000 tons more than during the same period a year earlier. Virtually all of this denatured wheat was from EC countries. It is also believed that at least 1 million tons of the increase in trade that occurred between EC countries was either in feed or denatured wheat. Thus, although Free World trade, excluding India and Pakistan, showed a slight increase this past year, there would have been a decline had not this increase in feed or denatured wheat imports—occurred. This trade in feed or denatured wheat displaces feedgrain imports. Further trade increases in feed or denatured wheat are anticipated to occur in the current year especially if the EC continues to encourage the denaturization of wheat.

Japan's imports are expected to gain this year after remaining stable for the past 2 years. In other areas of Asia such as South Korea, Taiwan, and the Philippines, imports should be larger as the result of increasing population and the growing inclusion of wheat in diets. South American imports will probably continue the upward trend of recent years.

Production in the areas which have caused the major swings in world trade in recent years is currently indicated at levels which should not result in any sharp gains in imports. India and Pakistan are expecting record harvests again this year. Imports by these two countries above last year's reduced levels will depend upon the desire to build up buffer stocks and the availability of food-aid assistance. Reduced crop prospects in the northern countries of Eastern Europe might indicate increased import needs, but any increase will probably be covered by the USSR. There seems little likelihood that the USSR will be purchasing significant quantities of wheat this year; even if crop prospects deteriorate, stocks seem large enough to meet export commitments.

On the supply side, the prospects are for near-record levels of exportable supply. Stocks available for export and/or carryover on a July 1 basis in the United States, Canada, Australia, Argentina, and the EC are estimated at 64.5 million tons, nearly 18 million over last year's level, and 24.5 million over the level of 2 years ago. The current production prospects are favorable in all of the countries and if domestic requirements remain normal and exports remain in the range of last year's levels, a further 10-million-ton increase will occur by next July 1.

In addition, the USSR which exported around 5.6 million tons in 1967-68 should be able to maintain this level. Romania and Bulgaria will have the potential to boost exports from the low levels of last year. Two years ago the combined exports of these two countries was in the area of 1.2 million tons. Mexico has recently started exporting after a year's absence. Spain, Greece, and Sweden may have less wheat for sale in the current year, but the aggregate volume of exports from these countries has only been 1.0 million to 1.5 million tons during the past several years.

Wheat Export Prices Lowered

On July 18 the U.S. Department of Agriculture lowered the export price of Ordinary Hard Red Winter wheat by 12 cents per bushel at Gulf and East Coast ports. Similar adjustments were made in the higher protein Hard Red Winter wheats and a supporting reduction was made in Soft Red Winter wheat prices. Existing export prices of Hard Red Winter wheat for South America are maintained.

Adjustments in the Lakehead, East coast, and Gulf coast export prices of new-crop Hard Spring wheat (Sept. 16 and beyond) were also made to maintain competitive price relationships. No basic changes are made in the West Coast wheat export prices.

These actions are in line with the agreement reached by the five major exporting countries at the July 11 Ministerial meeting in Washington, D.C., on the International Grains Arrangement (IGA). (See *Foreign Agriculture*, July 28, 1969). In operating under the IGA, U.S. Hard Red Winter wheat prices have been especially noncompetitive in Europe.

Canned Asparagus: New Moneymaking Export for Taiwan

White asparagus—virtually an unknown crop in the Republic of China (Taiwan) in the early years of this decade—is now the basis for a sizable canning and export business. With exports valued at US$25 million last year, canned asparagus ranked fourth behind bananas, sugar, and canned mushrooms among Taiwan's agricultural exports. In just a few years, Taiwanese asparagus has moved into many markets where the U.S. product once was predominant; it threatens to continue its marketing thrust in the years immediately ahead.

Commercial production of asparagus for canning in Taiwan began in 1963. The following year, the country's farmers produced just 1,650 short tons of raw product for canning. By 1967 this had zoomed up to 42,000 tons, and output of 55,000 tons is expected this year.

The spectacular growth in Taiwan's production of asparagus coincided with a series of short packs in the United States beginning in 1965 following termination of the bracero program under which pickers were permitted to enter the United States from Mexico. As the California canned asparagus pack went down, the Taiwanese pack went up.

Taiwanese canners, like their California counterparts who produce for export, process the white asparagus in demand in European markets. Initial production of white asparagus resulted from experimentation with American varieties introduced into Taiwan by the Chinese-American Joint Commission for Rural Reconstruction in 1963. Today, over 80 percent of the output is of the American variety Mary Washington. Production is concentrated in river bottoms and sandy coastal areas in the central part of the island.

A minor crop

The average size of an asparagus holding in Taiwan is less than an acre. Production is in the hands of some 21,000 farmers who grow asparagus as a minor crop. The crop shows very little tendency to dormancy in Taiwan's climate, and some asparagus is harvested every month of the year. Effects of insects, disease, and weather have been minimal. For production and harvesting, most growers utilize family labor.

Some 95 percent of Taiwan's total asparagus production is canned. Canning is concentrated in two seasons, April-July and September-November. This year, the canned pack is expected to total about 2 million standard cases (43 lb. net weight). Canners are paying the girls who peel and pack asparagus an average of $1.50 for a 9-hour day, while other unskilled workers receive between $1.00 and $2.50, depending upon the local supply and demand for labor.

With the growth in production of canned asparagus, exports have also increased since less than 100,000 cases are consumed domestically. Exports were at a high of 2.1 million cases last year, compared with only about 30,700 in 1964. Taiwan's biggest market is West Germany, which earlier in this decade took 80 percent of its average imports from the United States. Last year, 84 percent of Taiwan's total exports went to this country. While canners hope to increase sales to West Germany, they are also fearful of overdependence on a single market and are looking to other markets as well for larger sales. Other countries in which the Taiwanese product has been gaining ground include the Netherlands, Belgium, Sweden, Switzerland, and even the United States.

Taiwan's success in production, canning, and exports of white asparagus has not been without problems. In the first uncontrolled years of the industry's development, some canners paid very little attention to quality control, and foreign buyers began to complain. Also, the success of the first growers and canners brought such a flood of both into the business that by 1966 production reached 179 percent of exports. As a result, the government in 1966 introduced production and export controls. During 1967 and 1968, production was held below export levels while stocks were reduced. By the end of the 1968 marketing year, stocks were down to an estimated 400,000 cases.

Government controls exports

Under the government's control program, 164 canneries representing 146 companies are approved for export canning. In effect, no new companies may enter into asparagus canning. All exports are under the control of the Board of Foreign Trade of the Ministry of Economic Affairs and must be inspected for quality. With establishment of government controls on asparagus canning, standard prices were instituted for both the raw material and the canned product. Industrywide export prices were established in 1966 to end brand competition in exports. This system was not found satisfactory and was suspended as of the second half of 1969. Asparagus is not grown under contract, but most of the fresh product is sold through the Farmers' Associations.

At the present time, many canners are reportedly operating at a loss because of inventory accumulation and intensive competition by local canners for the export business, and most are believed to be losing money on all but size No. A3 cans. However, they are willing to continue producing at a loss, for they fear that if asparagus canning becomes profitable again, individual export quotas will be reestablished, based on past exports. Thus, they are not willing to risk lowering their base by not exporting when the business is not so profitable.

For further information on the development of Taiwan's asparagus industry, see *Foreign Competition in Horticultural Products*, FAS M—205, available from Information Service Branch, FAS, USDA, Washington, D.C. 20250.

—Based on dispatch from NORMAN J. PETTIPAW
U.S. Agricultural Attaché, Taipei

Recent FAS Publications

The Foreign Agricultural Service recently released two publications on livestock and meat industries abroad.

The Beef Cattle Industries of Central America and Panama, FAS M—208, covers development of the area's beef cattle production and its exports of both beef and live animals over the last 10 years. These countries' total share of U.S. meat imports subject to the U.S. Meat Import Law rose from less than 2 percent in 1958 to 12 percent in 1968.

Ireland's Livestock and Meat Industry, FAS M—130, Rev., covers production of and trade in beef, pork, lamb, mutton, and livestock products. A traditional producer and exporter of livestock and its products, Ireland could increase its output given changes in production practices.

Copies of both publications are available from Information Service Division, FAS, USDA, Washington, D.C. 20250.

Overhead irrigation in Kilombero Valley sugarcane fields in southwestern Tanzania.

Agriculture in Tanzania's Development

By CAREY B. SINGLETON, Jr.
Foreign Regional Analysis Division
Economic Research Service

Tanzania is going through an economic evolution centered on its agriculture. It is nearing the end of the first phase of a 15-year plan that calls for capital expenditures of $690 million for economic development and agricultural transformation.

The country is also in the second year of the Arusha Declaration, which calls for all Tanzanians to build a collective rural economy based on self-reliance and a modern form of communal production and sharing called "Ujamaa," or "familyhood." Most industries in Tanzania are nationalized and are controlled by the government-owned National Development Corporation (NDC). These industries include banks, major export-import companies, life insurance companies, several factories, a substantial part of the sisal industry, hotel and tourism operations, and—latest to be acquired—a sugar company.

A major problem in the structure of the Tanzanian economy is the need to develop alternative cash crops to correct the overdependence on coffee, sisal, clove, and tea exports as earners of foreign exchange. Another big problem is the need for development of agribusiness enterprises to fill the needs of expanding domestic and East African Community (EAC) markets.

In 1968, Tanzania's economy expanded almost 5 percent—despite a decline in sisal earnings and uncertainties and dislocations arising out of the nationalization of key industries. The country's overall balance-of-payments position was favorable even though its imports exceeded exports by approximately $29 million. This trade deficit was more than offset by foreign exchange earnings of invisibles—including transport services to Zambia, tourism, construction, shipping services.

Tanzania's 1965-80 development plan has six major objectives. These are:

- To attempt to increase the country's gross domestic product to $952 million by 1970 and $1.8 billion by 1980; the 1967 GDP was $893 million. To reach the goal set for 1980 will require a GDP increase of 6.7 percent annually from 1965 to 1980.
- To raise the annual per capita income from $75 to $126 by 1980.
- To bring about self-sufficiency in trained manpower in the country.
- To bring about a transformation from an agricultural subsistence economy to a market economy.
- To improve and restructure education in the primary and secondary grades.
- To expand the training of technicians, teachers, and agricultural research specialists.

Agriculture, now the backbone of Tanzania's economy, is expected to continue to play an important role in the country's economic development for years to come. The transformation and improvement of the now largely undeveloped agricultural sector is one of the most important prerequisites for economic development.

Agricultural development

Top priorities of the agricultural development plan are increased production of strategic cash crops for export and maintenance of a high degree of self-sufficiency in food crops;

the output of subsistence crops is now adequate, but with an improvement in agricultural practices production could be expanded substantially. The overall goal of the agricultural plan is to improve the general level of agricultural production to the point where each farm family will provide enough food for itself, plus a minimum per capita income of $300 a year from the sale of cash crops. This, in turn, is expected to develop the domestic market and free the labor force needed to develop a viable agribusiness sector.

Primary emphasis is placed on intensified development of specific alternative crops or livestock best adapted to the ecological conditions of specific areas now being cultivated by African subsistence farmers. To only a limited extent can the opening-up of new farming areas relieve the pockets of dense population. Also farming in these new areas could successfully be carried out only under close supervision and after small pilot projects have been completed.

It may be necessary in some instances to transfer resources from one area to another to improve input mixes or to take advantage of new opportunities resulting from technological innovations, economies of scale, and such capital investment as that in irrigation projects. The economic potential for irrigation in Tanzania is probably significant, particularly in the Rufizi and Pagavi River Basins. At present there are about 400,000 acres of irrigated land in Tanzania. Approximately another 4 million acres could be made arable through irrigation and flood-control measures, according to a recent World Bank study of the country's economic development.

The areas expected to yield the greatest immediate increases in production are the more thickly inhabited African farming areas. Among the difficult agricultural problems that must be solved are those relating to land tenure, marketing, infrastructure, and training of workers.

The overall plan calls for replacing less profitable traditional crops with high value cash crops and for development of the livestock industry.

As in the past, cash-crop production promises to be the most important foreign exchange earner. However, it is estimated that by 1970 the share of the GDP originating in agriculture will drop to 48 percent from the present 60 percent; by 1980 it is expected to drop to 37 percent. However, total value of agricultural production is expected to increase substantially and it will continue to be the most important single contributor to the GDP.

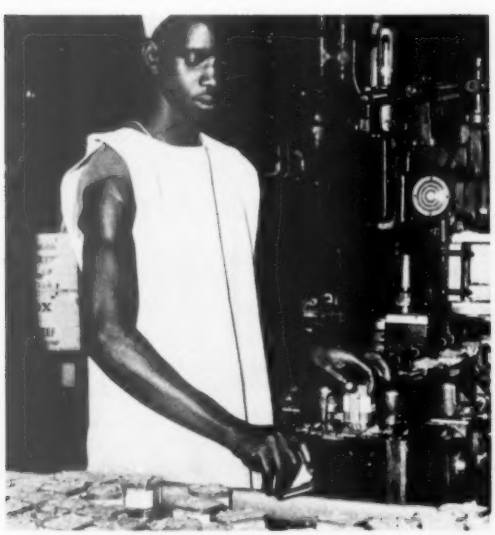
Outlook for specific crops

Livestock production offers the greatest potential for development. Production of sugar should cover domestic needs by 1970. Tobacco, tropical fruits, and wattle bark probably will show moderate increases by 1970 and 1980. And prospects for increasing production of cotton, coffee, tea, and cashew nuts between now and 1980 appear promising.

Targets for 1970 and 1980 reflect modest increases in both acreage and yields per acre—due to greater use of fertilizers, increased mechanization, and greater use of insecticides and pesticides.

Cotton-production targets call for 376,600 bales (480 lb.

Ready for the export market—canned corned beef at Dar es Salaam meatpacking plant.



Tea and sisal—two of Tanzania's important foreign exchange earners—are shown above. Top, worker plucks tea leaves. Directly above, sisal leaves being loaded on narrow-gage railway on plantation near Morogoro.

net) of cotton lint by 1970, 886,000 bales by 1980. Reaching these targets will require an increase in acreage plus improved cultural practices to improve yields and quality.

Coffee-production targets call for 60,000 metric tons by 1970, 70,000 tons by 1980—with a modest increase in acreage and emphasis on improving the quality of coffee to capture a share of the highly competitive nonquota markets. However, the International Coffee Council recently approved a production goal for Tanzania of only 48,600 tons for 1972-73. Since the country may have to reduce production to comply with this quota it is unlikely that the targets will be attained. Coffee production for 1969-70 is estimated now at 54,000 tons.

Tea-production targets are 10,700 tons by 1970, 21,000 tons by 1980. By 1970, the greatest percentage of tea output is still expected to come from the large commercial plantations; 10 percent will come from African subsistence farms in the Bukoba, Pakati, Rungwe, and Usambara areas. By 1980 the subsistence farmers' share of tea production is expected to increase to 25 percent.

Tanzania has significant potential for livestock development because good grasses are available and good grazing land is plentiful. However, four major problems must be solved if a viable livestock industry is to be developed: (1) East coast fever, rinderpest, and tsetse fly infestation must be controlled; (2) an integrated system of marketing and transport must be established; (3) a livestock-improvement program must be developed; and (4) an adequate feeding program must be carried out during the prolonged dry season, which is the critical period for livestock development. Unless livestock numbers are controlled the land will be overgrazed, denuded, and eroded.

During 1968, Tanzania received an International Development Association loan of $1.3 million for livestock development on five large state-controlled ranches, as reported in *Foreign Agriculture* Nov. 11, 1968.

Bank Lends Chile $23.5 Million for Agrarian Works

The Inter-American Development Bank recently announced loans totaling $23.5 million to Chile to support its government's efforts to boost agricultural output, which has not kept up with population growth.

Borrower of the entire amount is Chile's national development agency, Corporación de Fomento de la Producción (CORFO). Two loans totaling $15 million will go toward the building of marketing facilities for farm products, and another loan for $8.5 million will help finance rural electrification projects in 22 of the country's 25 provinces.

Agricultural development is among the goals of highest priority in Chile's economic program (see *Foreign Agriculture*, Feb. 5, 1968), and the government is devoting an increasing share—22 percent by 1971—of its total public investment to the farm sector. Through this investment, the government hopes to speed up the agricultural growth rate, which has been little more than 2 percent annually since 1960 against 4.7 percent for the economy as a whole.

Population shifts

Thirty years ago, Chile's agriculture was relatively strong. Of the country's 5 million inhabitants, more than half lived in rural areas. Today, over three-quarters of the 9 million people live in cities, and domestic farm output has been unable to keep up with growing demand for food in the urban centers. This lag has been reflected in increasing imports of foodstuffs, which account for about a quarter of total imports by value. It is estimated that some 65 percent of the food products now being imported could be produced domestically in sufficient quantities.

The slow growth in agricultural production has resulted partly from the shortage and inadequacy of marketing facilities. To remedy this situation, CORFO plans to use the Bank loans to help finance 44 projects to improve storage, processing, preservation, and distribution of such foodstuffs as corn, meat, and fruit. Resources of the loans will be re-lent to producer cooperatives and CORFO affiliates. Total cost of the projects will be $40 million, of which the Bank's loans will finance 37 percent, CORFO will provide 34 percent, and the beneficiaries will supply the remaining 29 percent.

Among the projects are storage and drying silos for corn; processing and packaging plants for almonds, grapes, peaches, plums, pears, and apples and for tomato and other juices; seed processing plants; slaughterhouses for livestock and poultry; meat cutting and packing plants; animal feed processing plants; pork sausage factories; cold-storage plants; and stores.

Up to $200,000 of the loan resources may be devoted to technical assistance services designed to train Chilean technicians abroad and obtain the services of foreign specialists.

Benefits to 23,000 enterprises

The $8-million loan will help toward expansion of electric power distribution networks to benefit some 23,000 farms, ranches, and small dwellings in rural and semirural areas. Loan resourecs will be re-lent to quasi-public and private electric power companies, rural electric cooperatives, cooperative members, and consumers. Of a total cost of $18 million, the Bank's loan will cover 47 percent, individual users will supply 25 percent, the companies and cooperatives will provide 18 percent, and government entities—including the small municipalities—will add the remaining 10 percent.

Relatively few rural areas in Chile currently have adequate power supplies, with rural consumption of electricity accounting for less than 3 percent of the national total. With the new program and related works, use of power in rural areas is expected to double in the next 5 years. The government hopes not only to improve rural living conditions, but also to expand crop and livestock output through the use of electricity in production processes.

The program provides for installation of primary and secondary power lines, new consumer connections, and allied substations, transformers, meters, and other control devices. It also provides for the purchase of imported installation, maintenance, and accounting equipment to be used by the companies and cooperatives and power equipment to be used by farmers, artisans, and rural industries.

In addition to the recent loans, the Bank has supported Chile's agricultural development efforts with previous loans totaling $43.9 million for irrigation, farm credit, rural settlement, and technical assistance.

Left, President Thomaz shakes hands with U.S. Agricultural Attaché Milam at entrance to American pavilion; above, Premier Cutano views dairy cow poster; below, visitors inspect sleek Herefords.

Santarém Fair a Showcase for American Cattle

Portuguese visitors to the American pavilion at the 6th National Agricultural Fair in Santarém, Portugal, June 1-15, were given literature and statistics, shown displays, and, best of all, saw some live examples of how well both beef and dairy cattle of U.S. parentage can do in Portugal when scientifically managed and fed.

Seven Holstein-Friesians—four producing cows imported as heifers in 1967 from the United States and three of their daughters born in Portugal in August 1967—and seven Herefords were featured. All the Herefords were born and raised in Portugal from breeding stock imported from the United States during 1967—four purebred Hereford bulls (two registered) and three purebred heifers. The animals weighed between 800 and 1,200 pounds. All the cattle were Portuguese owned.

For the dairy cows, brochures were given to visitors, and large-scale charts and posters outlined ancestry and gave detailed records of milk production.

For the beef cattle, pamphlets had pictures and histories of oustanding American Herefords in Portugal and gave statistics on meat yields from specially fed animals. Further proof of the animals' meat-growing abilities was a display of actual meat cuts.

Portuguese President Admiral Americo Thomaz opened the American pavilion on June 1, and 300,000 people streamed through during the day—three times as many as were estimated for the 1968 opening day. This is the third year the Foreign Agricultural Service (FAS) and its cooperators have participated in the Santarém Fair, and each year attendance at the U.S. displays has increased.

On June 10 U.S. Ambassador W. Tapley Bennett, Jr., was host for a luncheon featuring American Hereford roast beef. Guests included Portuguese agricultural officials, livestock producers, and restaurant and supermarket entrepreneurs.

Cooperating with FAS at the Fair were the Holstein-Friesian Association of America, the American Hereford Association, the U.S. Feed Grains Council, and the National Renderers Association.

Below, Holstein-Friesian display. Left, cover symbol of Hereford brochure.

Filipino Buys U.S. Brahmans

Oscar Olegario, prominent Filipino rancher, stands with two of the five young Brahman bulls he recently imported from Florida to sell to local cattlemen for upgrading the quality of their herds. The Philippines is a growing market for U.S. Brahmans buying 146 head in 1967 and 162 in 1968. Much of the credit for introducing the breed and building its numbers in the Philippines goes to the American Brahman Breeders Association and FAS.

Cotton Barter List Modified

In an effort to revive declining cotton exports, the U.S. Department of Agriculture has added 12 countries to the list of those eligible to buy U.S. cotton under the barter program. Restrictions on cotton exports to 27 other countries also have been modified.

The 12 countries were shifted from category "X," those countries to which no cotton exports under the barter program are permitted, to category "A," countries to which barter contractors may ship cotton under the program after first notifying USDA of their intentions to do so. These countries are Canada, Belgium-Luxembourg, France, Italy, the Netherlands, Sweden, Switzerland, the United Kingdom, West Germany, Hong Kong, Japan, and Australia.

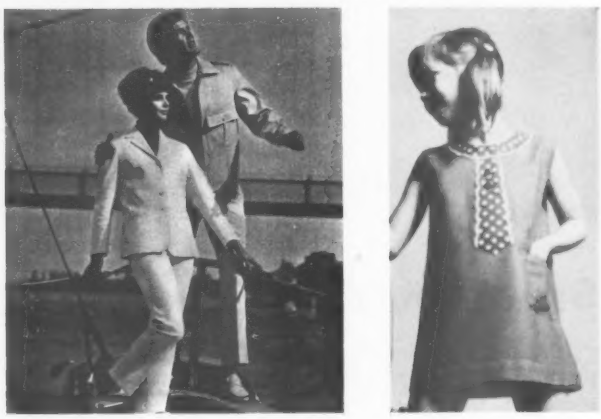
The 27 countries were shifted from category "A" to category "B," which comprises those countries to which cotton may be shipped under the barter program without restriction. These countries are Algeria, Austria, Brazil, the Congo, Denmark, El Salvador, Greece, Guatemala, Iran, Iraq, Ireland, Malawi, Mexico, Nigeria, Nicaragua, Norway, Pakistan, Peru, Rhodesia, South Africa, Spain, Sudan, the Syrian Arab Republic, Trinidad and Tobago, Turkey, the United Arab Republic, and Venezuela.

The new export designations and related export requirements for cotton apply only to barter contracts for cotton resulting from offers received or notices of procurements susceptible to barter issued on or after July 14 and to export sales made on or after that date.

With these new export designations, USDA hopes to stimulate sales of American cotton abroad, thereby helping the U.S. balance of payments. Exports of cotton during the August-May period of the 1968-69 marketing year totaled only 2,259,615 running bales, compared with 3,570,806 bales in the same period of the previous year.

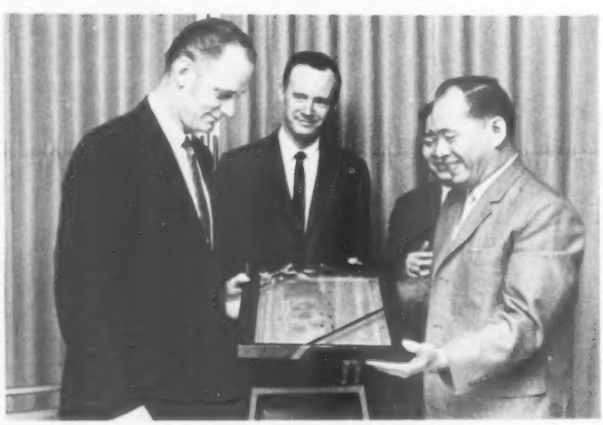
Copies of a revised commodity-country designation list for all commodities eligible for barter export, including the changes in export categories for cotton, and other details are available from the Assistant Sales Manager, Barter, Export Marketing Service, U.S. Department of Agriculture, Washington, D. C. 20250.

Cotton Casuals in Europe



European consumer magazine and newspaper advertising for 100 percent cotton apparel in Europe this summer has zeroed in on the vacationer. Full color ads (examples above) for cotton beach and boatwear; fishing, camping, and hunting gear; and children's playclothes have predominated. Leisurewear shown is from the Idea Collection of Casual Cottons '69 designed by Michel Schreiber, Sighsten Herrgaard, and Peter Golding for the International Institute for Cotton, which does research and promotional work on cotton.

U.S.-Taiwan Oil Agreement



A working partnership for marketing U.S. soybeans in Taiwan was launched this summer by the Taiwan Vegetable Oil Association (TVOA) and the American Soybean Association (ASA), market development cooperator with FAS. Mr. S. Y. Chen, chairman of TVOA, presents plaque to Scott Sawyers of ASA; Chinese inscription reads "Everlasting Friendship." At rear are U.S. Agricultural Attaché to Taiwan Norman J. Pettipaw and TVOA's Ding-Huang Hung.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	July 22	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	1.92	0	2.03
USSR SKS-14	1.84	0	(1)
Australian Prime Hard	1.87	0	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.89	−2	1.94
15 percent	1.91	−1	2.00
U.S. No. 2 Hard Winter:			
13.5 percent	1.81	−8	1.97
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.66	−4	1.73
Feedgrains:			
U.S. No. 3 Yellow corn	1.47	0	1.28
Argentine Plate corn	1.66	+1	1.45
U.S. No. 2 sorghum	1.38	+10	1.18
Argentine-Granifero	1.38	+9	1.23

[1] Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Nigeria Raises Cocoa Producer Prices

The Western Nigerian Marketing Board has announced higher cocoa producer prices beginning at the opening of the 1969-70 season. The new prices are set at N£150 per long ton (18.75 US cents per lb.) for grade 1 cocoa and N£ 135 per ton (16.87 US cents per lb.) for grade 2. The new prices represent an increase of N£ 50 per ton (6.25 US cents per lb.) over the producer price paid during the 1968-69 season.

Australia Expects Record Tobacco Crop

Latest indications place the 1969 Australian tobacco crop at a record level of 33.5 million pounds. This amount will substantially exceed the marketing quotas set for this season at 28.5 million pounds. The expected large crop is primarily a result of excellent growing conditions in all major tobacco growing areas. Quality of the crop is reportedly high. This year's crop represents an increase of 48 percent from the 22.7 million pounds produced in 1968.

Japanese Cigarette Sales Rise

The Japan Monopoly Corporation has announced that cigarette sales reached 197.7 billion pieces in the 1968-69 Japanese fiscal year (April-March). This quantity represents an increase of 1.4 percent above last year's level.

The total sales value of all manufactured tobacco products, both domestic and imported, during the year was 18 percent above last year. The increase was due primarily to the rise in retail prices effective May 1968. The increase in price, however, had no apparent effect on per capita consumption.

Filter-tipped cigarettes continued to increase with a share of total sales representing 73.8 percent last year. Two new filter-tipped brands were placed on the market during the year.

The High-Lite brand, which uses a large quantity of U. S. quality leaf, continued to account for a major share of the total market, capturing 47 percent of the total sales compared with 43 percent a year ago.

Total sales of cigarettes are forecast at 207 billion pieces in Japan during fiscal year 1969. Filter-tipped cigarettes are expected to increase to about 85 percent of total cigarette sales in the year.

Turkish Filbert Crop Declines

1969 is an off year for Turkish filberts, a cyclical crop. Thus, despite favorable weather conditions, a smaller than average crop of 110,000 short tons inshell basis is expected—35,000 tons below the near-average 1968 crop.

Exports for 1968-69 are expected to be 10,000 tons below the 1967-68 record high of 148,000 tons. West Germany (with over 50 percent of the total) was again the major importer, followed by the USSR, France, the United Kingdom, Canada, and the United States.

Export prices have increased steadily since the marketing year began. Shelled Kerassundes, quoted at 55.0 cents per pound (f.o.b. Turkish port) during the first week of September 1968, rose to 60.7 cents per pound in April 1969. This price has been surpassed only once since April 1963.

In an effort to increase export earnings, the government is encouraging exports of filberts processed and packaged in small consumer packages. Turkey has contracts for packaged filberts with Kuwait, Saudi Arabia, and several other Middle East countries; the United States and a number of Western European nations have expressed an interest.

TURKEY'S FILBERT SUPPLY AND DISTRIBUTION

Item	Average 1962-66	1966-67	1967-68	1968-69[1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	25.2	25.0	80.0	2.0
Production	142.0	210.0	77.0	145.0
Total supply	167.2	235.0	157.0	147.0
Exports	119.2	140.1	148.0	138.0
Domestic disappearance[2]	10.4	14.9	7.0	9.0
Ending stocks (Aug. 31)	37.6	80.0	2.0	0
Total distribution	167.2	235.0	157.0	147.0

[1] Preliminary. [2] Includes nuts pressed for oil in some years.

Philippine Exports of Coconut Products

Registered exports of copra from the Philippine Republic during the first half of 1969 totaled 254,942 long tons, compared with 242,963 during the same period a year earlier. The increase reflected movements to Europe and Japan; exports to the United States at 110,812 tons decreased by 17,533 tons from the previous year's level.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

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Coconut oil exports for the period totaled 90,340 long tons, a decrease of 18,532 from last year's movements. Lower shipments to the United States—74,666 tons, compared with 96,648 in January-June 1968—more than accounted for the decrease.

Desiccated coconut exports totaled 26,298 short tons, a decrease of 5,455 from last year. Shipments to the United States were 18,992 tons as compared with 29,312 in the same period a year ago.

PHILIPPINE REGISTERED EXPORTS OF COCONUT PRODUCTS

Commodity and destination	June		January-June	
	1968	1969 [1]	1968	1969 [1]
	Long tons	*Long tons*	*Long tons*	*Long tons*
Copra:				
United States ..	11,200	11,250	128,345	110,812
Europe	24,200	15,650	95,550	127,130
South America .	0	0	3,300	0
Japan	4,300	5,600	15,268	16,400
Other	500	300	500	600
Total	40,200	32,800	242,963	254,942
Coconut oil:				
United States ..	11,766	13,375	96,648	74,666
Europe	401	575	12,224	15,674
Total	12,167	13,950	108,872	90,340
Desiccated coconut:	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States ..	7,608	4,047	29,312	18,992
Canada	173	356	959	1,738
Germany, West.	11	179	11	1,216
Netherlands ...	42	163	101	1,051
Others	254	620	1,370	3,301
Total	8,088	5,365	31,753	26,298

[1] Preliminary. Associated Steamship Lines, Inc., Manila.

Austrian Levies for Poultry Imports

The Austrian Government has set threshold or minimum import prices for frozen chicken, turkey, and poultry parts, under a new law establishing a levy system governing imports of poultry meat and eggs. The new threshold prices, effective July 3, are:

Item	Threshold price
	Cents per pound
Whole chicken, up to 2.28 pounds	29.2
Whole chicken, over 2.28 pounds	32.7
Whole turkeys	33.1
Poultry parts:	
Halves	34.9
Breasts	41.0
Quarters and whole legs	44.5

Whenever the dutiable (c.i.f.) value of an imported item is lower than the threshold price by an amount in excess of the statutory tariff, the importer will be required to pay an equalization fee equal to the difference between the dutiable value and the threshold price. However, a fee at least equal to the tariff rate stipulated in the Austrian Customs Tariff (currently 8.8 cents per lb. for frozen chicken and 2.65 cents per lb. for turkey) will be collected, regardless of the relationship between the import price and the threshold price. An import equalization fee equivalent to the tariff rate is due also for those commodities for which a threshold price has not been set. But where a poultry item is subject to a bound tariff under the GATT, the import equalization fee cannot exceed the conventional tariff rate.

At current U.S. poultry prices, U.S. products c.i.f. Austria will be above the threshold prices now in effect. The United States exported 1.7 million pounds of frozen poultry meat valued at $545,000 to Austria in 1968.

Crops and Markets Index

Dairy and Poultry
12 Austrian Levies for Poultry Imports
Fats, Oilseeds, and Oils
11 Philippine Exports of Coconut Products
Fruits, Nuts, and Vegetables
11 Turkish Filbert Crop Declines
Grains, Feeds, Pulses, and Seeds
11 Weekly Report on Rotterdam Grain Prices
Sugar, Fibers, and Tropical Products
11 Nigeria Raises Cocoa Producer Prices
Tobacco
11 Australia Expects Record Tobacco Crop
11 Japanese Cigarette Sales Rise

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